

certain minimum standards for consumer mortgage loans, and for other purposes.

Ms. SCHAKOWSKY. Mr. Chairman, the time has come and gone for Congress to act to address the scourge of predatory lending. In the wake of the subprime mortgage crisis that is rocking the economy, an estimated two million Americans will face home foreclosures in the next two and a half years. These problems have caused the housing market to fall into its worst slump in 16 years.

The bill we are considering today, H.R. 3915, the Mortgage Reform and Anti-Predatory Lending Act, takes important steps to ensure that the mortgage industry follows sound principles of consumer protection. Many of the foreclosures we have seen are the result of predatory practices, including "redlining," poorly worded or confusing contracts, the steering of consumers to more expensive loan products, and mandating unfavorable terms that trap consumers into loans they cannot afford.

The bill before us today begins to turn the tide. It includes provisions to ensure that borrowers can repay the loans they are sold and receive clear disclosures about the loans they are offered, and that mortgage bankers and bank loan officers are all licensed or registered. All of these consumer protections will improve the options available to Illinois residents who seek a mortgage from a licensed mortgage lender.

However, while this bill represents a good start, I am concerned about Title II of the bill, which contains a state-law preemption provision that could weaken the value of the protections I've listed. I strongly believe that the laws that the Congress pass should be a floor, not a ceiling; we should not punish a State that may have stronger laws than what the

Congress is able to craft. Illinois' licensed mortgage brokers and loan originators meet some of the Nation's highest standards, and it is time for Congress to make sure all mortgage lenders meet standards at least as high—not to punish my home state.

The preemption provision eliminates the ability of a homeowner to raise state-law claims against the securitizer—or actual owner—of the loan. If homeowners cannot sue the owners of the loans, in many cases they will have no remedy available to them at all: in many cases the original issuers of the mortgage have sold the loan, gone bankrupt, or have gone out of business. While the owners of the loans have the assets to provide relief to many victimized consumers, by preempting state law this bill ties the hands of consumers to take action against them.

I am also concerned that this language does little to address the higher rates caused by so-called "yield spread premiums," which might more accurately be referred to as kickbacks. This practice, which allows the broker to charge a more expensive rate to the consumer than the broker paid for the loan and pocket the difference, has encouraged brokers to sell the most costly loans possible. This loophole has no doubt contributed to record numbers of foreclosures we have been seeing, and it should be closed.

The mortgage crisis has been building and we must do everything we can to address its devastating impact, especially felt in states like Illinois, Ohio, and Michigan. I am glad that Chairman FRANK has indicated that he will work to improve the bill, and I look forward to working with him to correct the bill's deficiencies and enact the strongest possible protections for homeowners and tenants who are facing financial calamity.

TRIBUTE TO ANNA L. ORR

HON. TOM LATHAM

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 4, 2007

Mr. LATHAM. Madam Speaker, I rise today to congratulate Anna L. Orr on the recent celebration of her 100th birthday on December 1, 2007.

Anna was born on December 1, 1907, in Wright County, Iowa. On July 17, 1927, she married Enos Orr. Anna and Enos had 10 children and have 132 direct descendants. Anna has traveled extensively during her lifetime and currently lives in her own home in Eagle Grove, Iowa. She loves going for walks to the local nursing home to visit with residents, fishing, and working in her garden.

There have been many changes that have occurred during the past one hundred years. Since Anna's birth we have revolutionized air travel and walked on the moon. We have invented the television and the Internet. We have fought in wars overseas, seen the rise and fall of Soviet Communism and the birth of new democracies. Anna has lived through 18 U.S. Presidents and 24 Governors of Iowa and, in her lifetime, the population of the United States has more than tripled.

I know that my colleagues in the United States Congress join me in sending warm wishes to Anna on the milestone of her 100th birthday. I am extremely honored to represent her in Congress, and I wish her happiness and health for many more years to come.